

EXHIBIT TIER 1**INSURANCE REQUIREMENTS**1. Insurance Company Criteria

Lessee agrees to procure and maintain for the term of the Lease and two (2) years after the completion of the Lease, at its expense, insurance with insurance companies authorized and licensed to do business in the state, province or country where the services or work will be performed having at least an A.M. Best's rating of A – VIII, covering all operations under this contract, with the kinds and in the minimum amounts required, under the contract as set forth below.

Subcontractor Tier Group	Scope of Work
Tier 1	Ship Repair operations - including hot work, confined space, gas freeing, painting, scaffolding, temporary labor, owned vessel operations, HVAC, ductwork, electrical, equipment repair, and other high hazard operations

* River Port, LLC has final determination in tier classification

2. Coverage Requirements

<u>COVERAGE</u>	<u>MINIMUM LIMITS</u>
i. Marine Comprehensive General Liability, Vessel and Crew Liability including: <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Bodily Injury and Property Damage <input checked="" type="checkbox"/> Contractual Liability <input checked="" type="checkbox"/> Ship Repairer's Legal Liability <input type="checkbox"/> Other 	<input checked="" type="checkbox"/> \$1,000,000 Combined Single Limit (CSL) occurrence Including: Third Party Action Over coverage, Other Work and Traveling Workmen Endorsement <i>For Owned Vessel Operations: Protection & Indemnity, Collision Liability, Terminal Operators Legal Liability, Wharfingers Legal Liability, Vessel Pollution Liability</i>
ii. Vessel/Hull and Physical Damage Coverage including machinery & equipment <i>for Owned Vessels</i>	Full Value of Vessel and her machinery & equipment
iii. Umbrella, Bumbershoot, and/or Excess Liability, which will extend to cover excess limits over Employers Liability, Commercial General Liability and Commercial Auto Liability coverages above <input checked="" type="checkbox"/> Yes	If needed to meet required limit: <input checked="" type="checkbox"/> 5,000,000 Tier 1

<u>COVERAGE</u>	<u>MINIMUM LIMITS</u>
<input type="checkbox"/> No <input checked="" type="checkbox"/> Where maritime employment is involved the following are required: Bumpershoot Liability	
iv. Worker's Compensation including: <input checked="" type="checkbox"/> All States Coverage/Endorsement <input type="checkbox"/> Where work or service will be performed on a US base, the following is required: <ul style="list-style-type: none"> • Defense Base Act <input checked="" type="checkbox"/> Where maritime employment is involved the following are required: <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Longshore and Harbor Workers Compensation <input type="checkbox"/> Outer Continental Shelf Act <input checked="" type="checkbox"/> Maritime Employers Liability (for "non-owned" vessel crew) <input checked="" type="checkbox"/> Jones Act (for "owned" vessel crew) 	Statutory coverage as required by the laws of the state(s), province(s) or country(s) in which the services or work are to be performed. Employers Liability: <ul style="list-style-type: none"> <input checked="" type="checkbox"/> 1,000,000 – bodily injury by accident <input checked="" type="checkbox"/> 1,000,000 – bodily injury by disease – each accident <input checked="" type="checkbox"/> 1,000,000 – bodily injury by disease - aggregate Federal coverage as required by the laws and regulations of United States Department of Labor
vi. Professional Liability, covering the Subcontractor for the negligent performance of its Engineering/Design Services, Gas Freeing or other Professional Services, whichever is applicable. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> \$1,000,000 each claim <input checked="" type="checkbox"/> \$1,000,000 aggregate

3. Requirements that must appear in the "Description of Operations" box on the certificate of insurance:

- Additional Insured Wording:
 Lessee shall include **S23 Holdings, LLC / River Port, LLC & Affiliates** as additional insured under its Marine General Liability, and Umbrella, Excess, or Bumpershoot Liability policies.
- Waiver of Subrogation Requirement:
 Lessee and insurer shall waive subrogation against **S23 Holdings, LLC / River Port, LLC & Affiliates** under its Marine General Liability, Umbrella, Excess, or Bumpershoot Liability and Workers Compensation policies.
- Primary and Non-Contributory Requirement:
 Lessee' Marine General Liability and Umbrella, Excess, or Bumpershoot Liability policies shall be considered primary and non-contributory of any other valid and collectible insurance carried by **S23 Holdings, LLC / River Port, LLC & Affiliates**.
- Cancellation Provision
 Lessee agrees that each insurance policy shall contain an endorsement that provides for at least thirty (30) days prior notice to **S23 Holdings, LLC / River Port, LLC & Affiliates**, in the event of any cancellation or modification of coverage. Where services provided are for Government contracts of an Affiliate of S23 Holdings, LLC, the policies shall also contain an endorsement that cancellation or material change in the policies, adversely affecting the interest of the Government in such insurance, shall not be effective unless the Task Order Contracting Officer approves such cancellation or change. Lessee agrees not to amend or

modify its insurance policies or certificates of insurance where such amendments or modifications would reduce coverage amounts below the requirement of this agreement.

4. Evidence of Insurance

Prior to Occupying the Premises, Lessee shall furnish **S23 Holdings, LLC / River Port, LLC & Affiliates** with certificates of insurance to evidence Lessee' compliance with the insurance requirements of this Lease. Renewal certificates of insurance shall be provided to **S23 Holdings, LLC / River Port, LLC & Affiliates** prior to the expiration dates of the required insurance. The Certificate Holder shall be **S23 Holdings, LLC / River Port, LLC & Affiliates**.

5. Additional Requirements for Government Contractors

If applicable, Lessee shall also comply with any terms set forth in FAR clause 52.228-7 entitled "Insurance-Liability to Third Persons", which are in addition to those requirements contained in this agreement.

In addition, based on the services or work rendered, **S23 Holdings, LLC / River Port, LLC & Affiliates** may reasonably require additional insurance coverages and/or limits.

Neither failure of Lessee to comply with any or all of the insurance provisions of these security services nor the failure to secure endorsements or policies as may be necessary to carry out the terms and provisions of this contract, shall be construed to limit or relieve the Lessee from any of its obligations under this Lease.

6. No Relief

Neither failure of Lessee to comply with any or all of the insurance provisions of this Lease, nor the failure to secure endorsements or policies as may be necessary to carry out the terms and provisions of this Lease, shall be construed to limit or relieve the Lessee from any of its obligations under this Lease.

